



United States Department of the Interior

BUREAU OF RECLAMATION

Phoenix Area Office
6150 West Thunderbird Road
Glendale, Arizona 85306-4001



PXAO-3000
PRJ-1.10

MEMORANDUM

To: All Interested Parties

From: Randy N. Chandler
Area Manager

Subject: Solicitation of Offers to Purchase Long-Term Storage Credits (LTSCs)

The Bureau of Reclamation is currently recharging effluent discharged into the Santa Cruz River under Arizona Water Storage Permits (WSP:73-591928.05) and has developed LTSCs within the Tucson Active Management Area in accordance with Arizona State law.

Reclamation is seeking offers to purchase up to 20,000 acre-feet per year of these LTSCs for a period of 3 years, beginning in 2015. Sales to multiple parties up to the total amount of credits will be considered. Multiple year sales or single year sales will also be considered. At this time, Reclamation is not seeking offers to enter into a long-term arrangement.

Reclamation will consider offers subject to the following conditions:

1. Offers to purchase can be made for 1 to 3 years, with a different quantity for each year.
2. Recovery of the LTSCs will be the sole responsibility of the purchaser and Reclamation shall have no obligation or responsibility to assist in recovery.
3. The applicant must agree that recovery of the LTSCs will be in compliance with Arizona State law, including A.R.S. 45-834.01, and the Intergovernmental Agreements (IGAs) under which the WSP is governed. A copy of the IGA will be provided upon request.
4. The applicant must agree not to recover nor allow the recovery of the LTSCs within 5 miles of the exterior boundary of the Tohono O'odham Nation.
5. The applicant must provide Reclamation with adequate information for Reclamation to comply with applicable Federal environmental laws including the National Environmental Policy Act, the Endangered Species Act, and cultural resource laws.
6. Applicants will only be considered if they currently have a Certificate of Assured Water supply in accordance with A.R.S. § 45-576, or they are able to accrue LTSCs under State law.
7. The applicant must agree to hold harmless and indemnify the United States.
8. Assignments of LTSCs will take place upon the receipt of payment pursuant to a written agreement to be entered into between Reclamation and the purchaser.

Reclamation reserves the right to decide to accept some or all offers based upon the price offered, environmental review, public input received during the environmental review, and other criteria at Reclamation discretion. Reclamation may also choose not to accept any of the offers.

Please provide within 45 days of the date of this solicitation your offer to purchase credits to:

Mr. Randy N. Chandler
Area Manager
Phoenix Area Office
Bureau of Reclamation
6150 West Thunderbird Road
Glendale, AZ 85306-4001

The initial submittal should include a proposed price per acre-foot of credit, the number of LTSCs the applicant seeks to purchase each year during the period from 2015 through 2018, a description of the intended use of the credits, and a statement that the applicant is willing to meet the above-stated seven conditions. After Reclamation's review of offers received, applicant of interest will be contacted to address any additional details that might be needed and to begin the contracting process.

Questions should be directed to Mr. Lawrence R. Marquez at 623-773-6213.